



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 14, 1994

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**DEPARTMENT OF JUSTICE APPROVES RESTRUCTURED
CONSTRUCTION BUSINESS DEAL IN TUCSON, ARIZONA**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division today approved a restructured transaction between two construction companies that it said would benefit building contractors, home buyers and taxpayers by preserving competition for construction materials in the Tucson, Arizona area.

The Department approved Ashland Oil Inc.'s sale of its APAC-Arizona construction businesses to Peter Kiewit Sons' Inc. of Omaha, Nebraska. However, Ashland, based in Russell, Kentucky, retains, and will not sell, its concrete and aggregate businesses in Tucson since the Department indicated to the parties that that part of the deal raised serious antitrust concerns. Peter Kiewit will purchase the remainder of Ashland's APAC-Arizona assets.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "The restructuring will preserve competition in the construction materials markets in Tucson by promoting the continued viability of an independent competitor. This will help construction contractors hold down their costs and

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taxpayers and consumers, such as home buyers, should benefit by paying lower prices."

Ready-mix concrete and aggregate are important construction materials used in building homes, commercial and industrial structures, and highways and other public projects. In Arizona, approximately \$400 million of these materials are sold annually.

APAC-Arizona and Peter Kiewit, which uses the name San Xavier in Tucson and Union Rock in other parts of Arizona, are two of only four ready-mix concrete and aggregate competitors currently serving Tucson. As restructured, Ashland will retain the Tucson assets and will continue to operate them competitively.

APAC-Arizona and Peter Kiewit are two of Arizona's largest construction materials producers, while APAC-Arizona is one of Arizona's largest highway construction contractors. APAC-Arizona does business throughout Arizona under the names of Tanner and United Metro.

A Peter Kiewit subsidiary, Kiewit Construction Group Inc., will acquire APAC-Arizona stock.

Aggregate is a mixture of rock, sand and gravel that is used to make asphalt and ready-mix concrete, which also contains cement, water and other additives.

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